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Canada

Grain and Feed

Rules and Procedures Governing TRQs for Wheat and Barley 2002

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Report Highlights:

Canada has had tariff rate quotas for wheat and barley (including wheat and barley products) since 1995. The United States and Mexico, under NAFTA, are granted preferential tariffs of zero percent and are free from the tariff rates usually applied to countries with "Most Favored Nation" (MFN) status. For wheat and meslin products, the "within access commitment" tariff rate, under MFN status, is C\$1.90/tonne. The "over access commitment" tariff rate is 49%. For barley, the "within access commitment" tariff rate is C\$0.99/tonne (MFN). The "over access commitment" tariff rate is 94.5% for malting barley and 21% for barley (excluding malting barley and seed).

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1], CA

RULES AND PROCEDURES GOVERNING THE ADMINISTRATION OF TRQs FOR WHEAT, BARLEY AND THEIR PRODUCTS

The following material is based on a January 10 release from the Department of Foreign Affairs and International Trade, *Notice to Importers, Serial No. 628*.

Purpose

The purpose of this Notice is to inform importers of the rules and procedures governing the administration of the TRQs for wheat, barley and their products.

Coverage

This Notice cancels and replaces Notice to Importers No. 572 dated July 6, 1998. It refers to items 161 to 191 of the Import Control List (ICL).

Wheat, barley and their products are subject to tariff rate quotas (TRQs). The coverage and access levels are set out below. Coefficients of conversion for the various products covered are available in "pdf" format at the following website:

<http://www.dfait-maeci.gc.ca/~eicb/notices/ser628-Anx1-bil.pdf>

The TRQs for these products are administered on a marketing year basis (August 1 to July 31).

Importers who require a determination as to whether or not the product they intend to import is within the scope of this Notice are to contact: Ms. Elizabeth Udell or Mrs. Ann Marie Broadbent, Trade Policy and Interpretation Directorate, Canada Customs and Revenue Agency at telephone: (613) 954-7013/(613) 952-6741, fax: (613) 952-4074.

Authority

Under the authority of paragraph 5(1)(a) and section 5.3 of the *Export and Import Permits Act* (EIPA), wheat, barley and their products were placed on the Import Control List on August 1, 1995 to implement a Canadian commitment under the World Trade Organization (WTO) Agreement on Agriculture.

Under TRQs, imports are subject to low rates of duty up to a predetermined limit, while imports over that limit will be subject to significantly higher rates of duty. By sub-section 6.2(1) of the EIPA, the Minister responsible for the Act may determine an import access quantity allowed entry at the low rate of duty. Having established an import access quantity, the Minister shall issue import permits under section 8.3 of the EIPA up to the limits of that quantity; these permits shall entitle the goods to which they apply to be subject to low rates of duty. Paragraph 8.3(2)(b) authorizes the Minister to establish a General Import Permit (GIP) that may be invoked freely by those complying with its conditions.

Sub-section 8.3(3) allows the Minister to issue import permits for imports in excess of the import access quantity. Pursuant to section 10 of the EIPA, the Minister may, at his discretion, amend, suspend, cancel or re-instate import permits, including GIPs.

Import Permit Issuance

Wheat, barley and their products were placed on the Import Control List established under the Export and Import Permits Act, and require import permits for entry into Canada. To reduce the burden on importers, this will be managed through two General Import Permits (GIPs). These permits are generally available and may be invoked upon importation, without prior application or fee. GIP No. 20 will cover imports on a first-come, first-served basis at the applicable "within access commitment" rate of duty, until the TRQ level has been reached, based on a count of goods accounted for at Customs or placed into bond; thus, goods placed into bond while the General Import Permit No. 20 is in force may be released at any subsequent time at the lower duty rate. Once the TRQ level has been reached, GIP No. 20 will cease to apply in respect of any covered goods, until the start of the next quota year on the following August 1. GIP No. 100 will cover unlimited imports after TRQ levels are reached, but all imports under this GIP will be assessed the applicable duties, which are generally the "over access commitment" rates of duty.

Method of Administration

The following annual (August 1 to July 31) TRQ levels for wheat, barley, wheat products and barley products apply:

Wheat - 226,883 tonnes

Barley - 399,000 tonnes

Wheat products - 123,557 tonnes (grain equivalent)

Barley products - 19,131 tonnes (grain equivalent)

The TRQs for wheat, barley and their products are administered on a first-come, first-served basis. Any resident of Canada is entitled to import any quantity of a product falling under one of the four TRQs as long as the applicable overall access quantity has not been reached. The Minister will evaluate whether that quantity has been reached based on the amount of goods accounted for at Customs or placed in bond, after applying appropriate conversion factors. The Minister's decision that the access quantity is being reached will be publicized in advance of the closure date for the product in question so as to minimize disruptions to transactions in progress.

Up-to-date information on volumes imported is available through Canada Customs and Revenue Agency at 1-800-594-0986 or at www.ccra-adrc.gc.ca/customs/general/vco/index-e.html to assist importers in making their plans.

Once the TRQ levels are reached, the following products will continue to be assessed the "within access" lower rate of duty:

- a) Mexican and U.S. wheat, barley and their products (pursuant to NAFTA);
- b) Chilean barley and their products (pursuant to CCFTA); and,
- c) Wheat and barley products from any country, classified under the following specific tariff items:

1. mixes and doughs, falling under tariff item No. 1901.20.14;
2. pasta products, falling under tariff items Nos. 1902.11.21, 1902.19.12, 1902.19.22, 1902.19.92, 1902.30.12 and 1902.30.31;
3. cereals, falling under tariff items No. 1904.10.21, 1904.10.41, 1904.20.21, 1904.20.41, 1904.30.21 and 1904.90.21;
4. bread products, falling under tariff item No. 1905.10.21, 1905.10.51, 1905.40.31, 1905.40.61 and 1905.90.32;
5. biscuits, waffles and wafers falling under tariff item No. 1905.31.22, 1905.31.92, 1905.32.92 and 1905.90.43;
6. pretzels of tariff no. 1905.90.62 in packages of a weight not exceeding 1.36 kg.

Importers are reminded that invoking a GIP does not relieve them of other legal requirements pertaining to importation, such as those imposed by Canada Customs and Revenue Agency and the Canadian Food Inspection Agency. For instance, importers, in addition to invoking the GIP, must seek a valid import certificate from the Permit Office, Plant Protection Division, Canadian Food Inspection Agency for authority to release, and must also meet the requirements of the Seeds Acts and Regulations.

Products Imported for Personal Use

Any resident of Canada may, under the authority of General Import Permit No. 3 import into Canada, for the personal use of the importer and the importer's household, wheat and barley and their products at the lower rate of duty. There is no limit to the amount that may be imported, but all other applicable regulations (e.g. respecting seeds) continue to apply.

Where the goods imported under the authority of this GIP are required to be reported in the prescribed form under the Customs Act, that form shall contain the statement "Imported under the authority of General Import Permit No. 3: Wheat and Wheat products and Barley and Barley Products for Personal Use".

Supplementary Commercial Imports

The Minister may issue permits for imports at "within access commitment" rates of duty after the applicable import access quantity has been reached. Request for such supplementary permits may be addressed to Mr. Bernard Paré at the address below. In deciding whether or not to issue a supplementary permit for a given product, the Minister will consider, in particular, the availability of like or directly substitutable products on the Canadian market.

When requesting a supplementary import permit, applicants should provide a detailed description of the product requested and its purpose. Importers should also provide details of efforts made in securing domestic sources of supply. Such information should include the name(s) and

address(es) of supplier(s) contacted, the response received as to their supply capacity and any other evidence that may have been provided indicating an inability to supply.

Supplementary Feed Grain Imports:

Feed grain users in the Atlantic provinces, Quebec, Ontario, British Columbia, the Yukon and Northwest Territories, who benefitted from a feed grain assistance subsidy under the previous Feed Freight Assistance Program, will be eligible for supplemental import permits to import feed wheat and feed barley if they can demonstrate that they are not able to source Canadian supplies that are price competitive with imports. Requests for supplemental import permits can normally be processed within three working days.

Export licence requirements

Export licence requirements for wheat and wheat products under the *Canadian Wheat Board Act* will remain in effect and are not affected by this initiative. For further information please contact the Canadian Wheat Board by telephone at: (204) 983-3569 or by Fax: (204) 983-1869.

Canadian Contact Information**TRQ administration:**

Mr. Bernard Paré or Mrs. Sue Smith
Agriculture and Steel Section (EPMA)
Trade Controls Policy Division
Export and Import Controls Bureau
Department of Foreign Affairs and International Trade
Lester B. Pearson Bldg.,
125 Sussex Drive
Tower C, 4th Floor
Ottawa, Ontario
K1A 0G2
Telephone: (613) 995-8108 or (613) 944-0773
Facsimile: (613) 996-0612

Tariff classification:

Ms. Ann Marie Broadbent
Trade Policy and Interpretation Directorate,
Canada Customs and Revenue Agency
Telephone: (613) 952-6741
Facsimile: (613) 952-4074

Quantity available of first-come, first-served tariff rate quotas:

Canada Customs and Revenue Agency (CCRA)

Telephone: 1-800-594-0986 (recorded message)
or www.ccra-adrc.gc.ca/vco

To see the full text of the release, see the following website:
<http://www.dfait-maeci.gc.ca/~eicb/notices/ser628-e.htm>

Comments:

For wheat and meslin products, the "within access commitment" tariff rate, under "Most Favored Nation" (MFN) status, is C\$1.90/tonne. The "over access commitment" tariff rate is 49%. For barley products, the "within access commitment" tariff rate is C\$0.99/tonne (MFN). The "over access commitment" tariff rate is 94.5% for barley (malting purposes) and 21% for barley (excluding barley for malting purposes and seed). The United States and Mexico, under NAFTA, are granted preferential tariffs (0%) and are free from the tariff rates usually applied to countries with MFN status.

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Contact FAS/Ottawa by e-mail: usagr@istar.ca